

599 - O. C. SPECIAL FINANCING AUTHORITY DEBT SERVICE

Operational Summary

Description:

To make timely debt service payments on the 1995 Orange County Special Financing Authority Teeter Plan Revenue Bonds and to transfer surplus revenues to County General Fund 100 Agency 016 as provided for in the Second Amended Modified Plan of Adjustment. The surplus transfer to Agency 016 ended in FY 2000-2001, future surplus transfers will be made to Fund 100, Agency 100.

In 1995 the Orange County Special Financing Authority issued \$155,000,000 of revenue backed bonds: Series A (taxable) \$32,375,000; Series B, \$20,625,000; Series C, \$34,000,000; Series D, \$34,000,000; and Series E, \$34,000,000. The proceeds of the bonds were used to pay the holders of the County's 1994-95 Teeter Notes and to fund an on-going Teeter Program.

The use of long term bonds to fund the Teeter Program is unique to Orange County and is authorized by special State statute. The Teeter program is an alternate secured property tax distribution plan. Normally the secured property taxes actually collected by a County are distributed to taxing agen-

cies (e.g. school districts), resulting in less than 100% of the tax levy being distributed because of delinquencies. Under the Teeter Plan, the County distributes 100% of the levy to the taxing agencies and in exchange receives the right to keep the delinquent taxes, penalties and interest.

The Orange County Special Financing Authority was set up in 1995 to administer the Teeter Plan in Orange County. The penalties and interest collected on tax defaulted properties provide the revenue to pay the debt service on the Teeter Bonds and, if available, surplus revenue is released to the County General Fund. The Board of Directors of the Authority are the members of the Orange County Board of Supervisors.

As of November 30, 2005, \$123,725,000 in principal was outstanding from all five series. The Teeter Bonds will be paid off in 2014.

At a Glance:

Total FY 2005-2006 Projected Expend + Encumb:	47,342,124
Total Recommended FY 2006-2007	82,312,688
Percent of County General Fund:	N/A
Total Employees:	0.00

Strategic Goals:

- Make timely debt service payments and provide surplus revenue for the bankruptcy recovery as contemplated in the County's Second Amended Modified Plan of Adjustment.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Make annual transfers of surplus cash to the General Fund.

Proposed Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected ⁽¹⁾ At 6/30/06	Recommended	Projected Amount	Percent
Total Revenues	66,146,263	76,042,767	70,083,085	82,312,688	12,229,603	17.45
Total Requirements	35,656,836	76,042,767	47,342,124	82,312,688	34,970,564	73.87
Balance	30,489,427	0	22,740,961	0	(22,740,961)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: O. C. Special Financing Authority Debt Service in the Appendix on page A245

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Summary of Proposed Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2004-2005		FY 2005-2006		FY 2005-2006		Change from FY 2005-2006		
			Budget		Projected ⁽¹⁾		FY 2006-2007	Projected	
		Actual		As of 3/31/06		At 6/30/06	Recommended	Amount	Percent
Fines, Forfeitures & Penalties	\$	35,370,363	\$	43,380,463	\$	36,077,770	\$	36,799,326	\$ 721,556 2.00%
Revenue from Use of Money and Property		3,210,641		2,172,877		3,515,888		3,586,206	70,318 2.00
Total FBA		6,591,681		30,489,427		30,489,427		22,740,961	(7,748,466) -25.41
Reserves		20,973,579		0		0		19,186,195	19,186,195 0.00
Total Revenues		66,146,263		76,042,767		70,083,085		82,312,688	12,229,603 17.45
Services & Supplies		28,194,507		63,432,024		33,890,538		68,546,612	34,656,074 102.26
Other Charges		7,462,329		11,462,705		12,303,548		13,766,076	1,462,528 11.89
Reserves		0		1,148,038		1,148,038		0	(1,148,038) -100.00
Total Requirements		35,656,836		76,042,767		47,342,124		82,312,688	34,970,564 73.87
Balance	\$	30,489,427	\$	0	\$	22,740,961	\$	0	\$ (22,740,961) -100.00%

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.